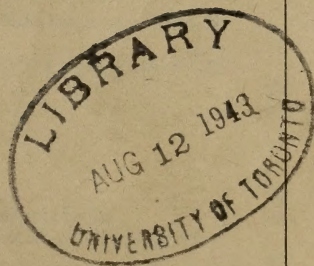


# INTERNATIONAL HIGH COMMISSION

## MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT OF THE UNITED STATES SECTION OF THE  
INTERNATIONAL HIGH COMMISSION ON THE FIRST  
GENERAL MEETING OF THE COMMISSION, HELD AT  
BUENOS AIRES, APRIL 3-12, 1916



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## LETTER OF TRANSMITTAL.

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TO THE SENATE AND HOUSE OF REPRESENTATIVES:

I transmit herewith, for the information of the Congress, the report of the United States section of the International High Commission on the first general meeting of the commission held at Buenos Aires, April 3-12, 1916.

WOODROW WILSON.

THE WHITE HOUSE,  
*December 20, 1916.*



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## REPORT OF THE UNITED STATES SECTION OF THE INTERNATIONAL HIGH COMMISSION TO THE PRESIDENT.

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SIR: By the First Pan American Financial Conference, which was held at Washington in May, 1915,<sup>1</sup> with a view to bring about closer financial and commercial relations between the American Republics and to that end to foster uniformity of law and procedure in such matters, it was recommended that, in order to carry out these great objects, there should be created an International High Commission, a section of which should be established in each country. This recommendation was promptly carried into effect in the countries concerned; and by the act of Congress of February 7, 1916,<sup>2</sup> the United States section was endowed with a legal status. Each section consists of nine members, and is composed of jurists, financiers, and technical administrators.

During the past quarter of a century a great good has been accomplished by means of conferences between the independent countries of America, such as the four international American conferences (Washington, 1889-90; Mexico, 1901-2; Rio de Janeiro, 1906; Buenos Aires, 1910), the Conference on the Coffee Trade (New York, 1902), the Customs Congress (New York, 1903), and the series of sanitary conferences, the fifth of which was held in Washington in 1905. But in spite of all that had been attained there was a general sense of the need of direct, continuous, sustained effort to improve the financial and economic relations between the Americas and to remove the obstacles which existed to their satisfactory development. To meet this want is the prime object of the International High Commission and its respective national sections.

Students of the history of international cooperation agree that there are three fundamental factors in a successful international union—(1) periodical conferences, (2) an international organ or bureau, (3) an effective means of carrying out the measures adopted. In the relations of the American Republics during the last 25 years the first two elements have not been lacking. The American Governments have repeatedly manifested their willingness to enter into the discussion of their common problems; and in the Pan American Union they have an organ which has, under the wise guidance of the diplomatic representatives of the American Republics at Washington, contributed and will continue richly to contribute to the harmony and prosperity of the American nations.

What has been wanting is a persistent and organized effort to carry out the recommendations of the conferences. In contrast with the readiness to sign conventions on technical matters there has been

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<sup>1</sup> Proceedings, Washington, 1915.

<sup>2</sup> See Appendix A.



at times some reluctance to ratify them. The United States has occasionally been remiss in this regard, and the members of the United States section of the International High Commission consider it important to urge prompt fulfillment of this duty.

With no intention to dwell upon any definition of obligations, we venture to say that this commission is trying to create a keener sense of responsibility on the part of jurists and financiers in all the American Republics for the performance of their Governments of the obligations assumed by representation in those conferences and by the signing of the agreements therein adopted. A Government represented at such gatherings ought to accept or reject definitely the result of the deliberations, and, if accepting, to contribute to the success of the cooperative action by a reasonable accommodation of its local traditions, business methods, and administrative regulations. The International High Commission is not striving for literal uniformity and does not hold that strict identity in the provisions of commercial codes is useful, even if it be possible. The commission seeks to define certain common ends and then to suggest means to attain them that will be locally appropriate and feasible.

At the close of the Pan American Financial Conference at Washington (May, 1915), the presiding officer, the Secretary of the Treasury of the United States, invited the participating Governments to set in motion as rapidly as possible the machinery recommended by the committee on uniformity of laws. His efforts were successful, and the respective Governments rapidly announced the personnel of their national sections, all of which soon began their preliminary work. An early meeting of the commission was decided upon for the purpose of determining its *modus operandi* and of giving the necessary stimulus to useful study. Tentatively, November 1, 1915, was fixed as the date and Buenos Aires as the place, but it was later found necessary to allow more time, and the date was changed to April 3, 1916.

The chairman and secretary general of the United States section acted as chairman and secretary general for all the sections from the organization of the commission until its convening in Buenos Aires on the 3d of April. They encouraged thorough discussion of the topics proposed by the financial conference, and urged the preparation of expert reports on these subjects. This list was not regarded as final and several new topics were added.

At the end of February the final program was announced:

- I. Establishment of a gold standard or gold exchange standard.
- II. Negotiable instruments in international trade; bills of exchange; checks; bills of lading; warehouse receipts.
- III. Classification of merchandise; customs regulations; consular certificates and invoices; port charges.
- IV. Uniform regulations for commercial travelers.
- V. Patent, trade-mark, and copyright legislation.
- VI. Reduction and uniformity of postal rates; improvement of money-order and parcel-post facilities.
- VII. Extension of the process of arbitration for the settlement of commercial disputes.
- VIII. International agreements on uniform labor legislation.
- IX. Uniformity of regulations on the classification and analysis of petroleum and other mineral fuels with reference to national policy on the development of natural resources.



- X. Necessity of better transportation facilities between the American Republics.
- XI. Banking facilities; extension of credit; financing of public and private enterprises; stabilization of international exchange.
- XII. Telegraph facilities and rates; the use of wireless telegraphy for commercial purposes.
- XIII. Uniformity of conditional sales and chattel mortgage legislation.

The United States section of the commission was obliged, as you will recall, to request the use of a naval vessel in order to go to Buenos Aires. This fact was a significant commentary upon the lack of adequate steamship facilities; and the press of Latin America noted the urgency of a situation, as the result of which the United States delegates, in order to make the trip to Buenos Aires in a reasonable time, and especially in order to be certain of return connections, had to turn to the Navy for assistance. It is hardly too much to say that for most of the United States delegates participation in the conference would have been impracticable if they had been forced to rely upon the ordinary means of transportation. On the other hand, owing to the fact that the armored cruiser *Tennessee* was put at its disposal, the United States section was able to make relatively extended stops in the course of its journey.

On March 7 the *Tennessee*, with the undersigned seven members of the United States section, left Hampton Roads. Hon. John Bassett Moore, vice chairman of the United States section, and Judge E. H. Gary were unable to accompany the delegates to Buenos Aires. The secretary general, Dr. L. S. Rowe, of the University of Pennsylvania, was likewise unable to go to Buenos Aires, and Dr. C. E. McGuire served as acting secretary general.

On March 12 the *Tennessee* arrived at Port au Prince, Haiti, where the delegation visited the President of the Republic. The chairman of the section took the opportunity to assure him of the earnest desire of the Government of the United States to cooperate in every way with the Haitian Government for the promotion of the best interests of both nations. From Haiti the *Tennessee* proceeded to Rio de Janeiro.

The reception given to the delegation by the Brazilian Government was characterized by the unmistakable spirit of friendship for the United States that animates the Brazilian people, and after a stay of three days in the magnificent capital of the Republic the delegates departed with a deep sense of the warmth and cordiality of their reception. The opportunity, moreover, was improved to get into touch with the Brazilian members of the International High Commission.

The whole-hearted enthusiasm and hospitality manifested toward the United States delegation by the Uruguayan Government is also particularly worthy of notice. During a sojourn of two days in Montevideo the delegation was most kindly received, expressions of amity and good will were heard on every hand, and views were freely exchanged with the Uruguayan section on the work of the commission.

The conference at Buenos Aires opened on the morning of the 3d of April and closed on the afternoon of the 12th. The general sessions, including the preliminary business session, were only six in



number, and the activities of the conference were centered about the work of the seven committees.<sup>1</sup>

The inaugural session was opened by His Excellency Dr. Victorino de la Plaza, President of the Argentine Republic.<sup>2</sup> Dr. Francisco J. Oliver, Argentine minister of finance, was then, upon the motion of the chairman of the United States, unanimously chosen as presiding officer of the conference.<sup>3</sup> Other addresses of general character were made at this session, closing with a careful survey of the task of the International High Commission by the chairman of the United States delegation.<sup>4</sup>

The conference was then organized in accordance with the rules suggested by the Argentine section of the commission. Vice presidents were chosen, and the secretary general of the Argentine section, Dr. Emilio Hansen, former minister of finance, was chosen secretary general of the conference. Then followed the assignment of delegates to the seven committees in accordance with the desires of the respective delegations.

At this point the United States section desires to pay sincere tribute to the admirable manner in which Dr. Oliver presided over the deliberations of the conference and guided its work. It wishes also to express its appreciation of the unfailing thoughtfulness that characterized Dr. Hansen's performance of the responsible duties of secretary general. To the skill of the presiding officer and the efficiency of the secretarial force was largely due the ability of the conference to secure concrete results in a brief space of time.

Throughout the conference, both during the general meetings and in informal discussion, the members of the United States delegation were impressed by the earnestness that inspired the delegates from Central and South America. The atmosphere of the conference was one of genuinely constructive international friendship. Nor should we fail to express our gratitude for the generous hospitality extended to us by the Argentine Nation.

The considerate attentions of the Argentine Government were not relaxed when the United States delegation departed from its capital, nor were those of the Chilean Government deferred until the delegation arrived at Santiago de Chile. Both Governments put special trains at the disposal of the delegations of Bolivia, Chile, Cuba, Panama, and the United States. The reception extended by the Chilean Government could not have been more whole-hearted.

The delegation departed from Valparaiso April 19, and was profoundly disappointed to find itself unable to accept the hospitable invitation of the Peruvian Government to spend several days at Lima. The Secretary of the Treasury, however, visited Lima and discussed with His Excellency, the President of the Peruvian Republic, the various means of improving the financial and commercial relations between Peru and the United States. None of the South American Republics has immediately before it greater possibilities of material development than Peru; and no country, the president pointed out, is so likely to improve its financial and commercial relations with the United States so rapidly and satisfactorily, as a

<sup>1</sup> A list of all the delegates will be published in part 2; but a list of United States delegates and their committee assignments will be found in Appendix B.

<sup>2</sup> See Appendix C.

<sup>3</sup> His inaugural address will be found in Appendix D.

<sup>4</sup> See Appendix E.



result of the opening of the Panama Canal, provided always that adequate means of communication are to be had.

The stay of the *Tennessee* at Panama was regrettably short as, indeed, was the time spent in Habana. In both capitals the members of the United States party discussed with those members of the national sections who had not gone to Buenos Aires the best means of putting into effect the results of that conference and of promoting the most favorable relations between their respective Republics and this Government. On May 5 the *Tennessee* anchored at Hampton Roads and the United States delegation disembarked, carrying with them grateful memories of the kindness and courtesy shown on every occasion by the captain, officers, and crew.

### THE WORK OF THE CONFERENCE.

As has been indicated, the International High Commission had undertaken the examination of a number of difficult problems of varied character. Some related to the lack of harmony between the administrative and fiscal regulations of the different countries, such as customs regulations or of the rules governing the operations of commercial travelers, resulting in uncertainties and losses on the part of merchants; others to the insufficient protection given to industrial or literary property; and others yet to differences in juristic theories, as in the matter of the interpretation of negotiable instruments or of the enforceability of arbitral awards in commercial disputes. The commission had, furthermore, to consider the vital question of transportation. Here it could scarcely do more than define certain broad general principles along which the several governments might effectively cooperate; but the vast importance of the subject was attested by the fact that all the delegations in the First Pan American Financial Conference had in their memoranda and reports emphasized the lack of adequate means of transportation. Finally, there was the far-reaching question improving conditions under which the operations of private finance may be carried on, including the stabilization of international exchange, the enlargement of banking facilities, the making possible a greater extension of credit for the ordinary needs of commerce, as well as for the carrying out of important public and semipublic enterprises, the encouragement of all reciprocal movements that tend to extend markets, all of which may involve in some measure the exercise of governmental authority or remedial legislation. The members of the commission were well aware that all these topics necessarily cleave to the great mass of customs and traditions of trade over which formal bodies, whether national or international, can set up but a slight jurisdiction; and they were careful to deal with them with due regard for this vital fact. The main emphasis, however, was intended to be placed on public finance and commercial law, wherein the problems require patient and long-continued work. The subjects not included in these categories may be considered to have been referred to the commission by the financial conference rather for expressions of opinions as to general policy than for expert direction.

The commission, realizing that, although concrete recommendations might readily be prepared, the success of any attempt to carry



these recommendations into effect would depend upon the machinery devised by the commission itself, gave its most serious thought to this matter throughout its sessions. One of the last matters upon which it acted, on the afternoon of April 12, deserves attention at this point, not only because of its paramount importance to the future work of the commission, but also because of the frequent reference that will have to be made to it in the course of this report.

The resolution adopted by the committee on permanent organization opens with a formal confirmation of the structure previously agreed upon for the International High Commission, according to which each section of the commission is to consist of nine members, one of whom shall be the minister of finance, who will serve as chairman. The sections as constituted during the interval between the Pan American Financial Conference at Washington and the meeting of the International High Commission at Buenos Aires are continued, so far as the international organization is concerned, for, while the power of the executive in each country to alter the membership of the national section is in no way diminished, the commission wished to safeguard the relations that had existed, in some cases merely by temporary executive order rather than on the basis of legislative authorization. It is the earnest hope of all the members of the commission that the participating Governments will, as soon as may be possible, give formal legislative authorization to their national sections.

The commission then constituted a central executive council for the purpose of systematizing and coordinating its work. This body will carry out the recommendations of the commission and prepare the program of the second meeting of the commission. The council consists of three members—a president, vice president, and a secretary general. Its membership depends upon the country chosen as headquarters by the commission; that is to say, the commission selects the country in which it wishes its work concentrated, and the chairman, vice chairman, and secretary of the national section of that country automatically become the central executive council. All expenses incidental to the work of the council are borne by the national section concerned. The council is directed to submit rules of procedure before the second meeting.

The resolution prescribes the manner in which future meetings of the commission shall be convened. The second meeting is not to be called until after two years have elapsed, and then only upon a request addressed to the central executive council by at least five sections. The council is required to consult all the sections as to the place and date of meeting and follow the vote of a majority of them. The presiding officer of the meeting is in each case to be the minister of finance of the country in which the meeting is held.

Upon the motion of Dr. Samuel Hale Pearson, of Argentina, Washington was unanimously designated the headquarters of the commission until the next meeting. The chairman, vice chairman, and secretary of the United States section thus automatically become the central executive council. They have the responsibility of determining the commission's future relations with the respective Governments and with the Pan American Financial Conferences and of carrying out its recommendations. It is wholly within



the purpose of the act authorizing the United States section of the International High Commission and providing for its maintenance that its officials should be authorized to accept this responsibility, which in truth constitutes the most definite form of cooperation on our part with the Central and South American Republics in this work. All the members of the United States section fully concur in the words of the chairman of our delegation at Buenos Aires when he thanked the assembled commission for the "signal honor \* \* \* conferred upon our country by designating Washington as the headquarters of the International High Commission"; and they express their fullest confidence that the chairman and his associates of the central executive council will "bring to this service the very fullest measure of intelligence and devotion."

In outlining the work done at Buenos Aires the present report will follow the order of topics as followed in the meeting itself. We deem it wise, therefore, to set forth the chief facts in connection with the several topics and then to summarize the discussion and the resolution adopted, finally suggesting the most practical manner of making the recommendation effective.

#### FIRST COMMITTEE.

**Topics:** I. Establishment of a gold standard or gold exchange standard.  
 XI. Banking facilities; extension of credit; financing of public and private enterprises; stabilization of international exchange.

#### TOPIC I.

The first question had been discussed between the American Nations for more than a quarter of a century. The First International American Conference of 1890 attempted to correct monetary uncertainty with a common coin. As a result of one of its recommendations an International Monetary Conference met in Washington in 1891 to study the problem of depreciated currency. This conference was content to adopt a general resolution favoring an international conference on bimetallism, in which Europe as well as America should be represented. The Third International American Conference at Rio de Janeiro in 1904 resolved that all the Governments should be requested to send to the Pan American Union studies of their monetary systems, so that the Union might prepare an elaborate report on the subject for the fourth conference. The response to this recommendation was very slight.

Familiar with this history, the United States delegation aimed at the adoption of a money of account as a step to a stable system of gold-exchange standards, and as a stimulus to commercial transactions. The Argentine delegation recommended the adoption of a gold coin of the weight and value of the gold unit existing in the Latin Union, with an international agreement on the mathematical equivalence between this money and the monetary unit of each country. The Bolivian delegate on the committee proposed the establishment of an actual international gold currency with a unit of 1 gram of pure gold, to exist side by side with the national system heretofore authorized, and the details of which would be supervised by the Pan American Union and the United States Treasury.

Finally, the Uruguayan delegation proposed a unit of account equal in value to the gold franc, to be known as the Pan American coin; and, an eminent member of that delegation, Dr. Llamas, urged that it should be used in all Government publications besides the national currency, while the Pan American Union could in its publications give tables of equivalences between the currencies of the participating republics and this unit, and the International High Commission ought to secure the adhesion of chambers of commerce and other organizations to the system.

These and other suggestions equally interesting were subjected to a searching analysis by the subcommittee. The members of the committee agreed that such an international unit of account was necessary. The discussion centered rather about the details of weight and fineness than about the principle at issue. The delegates readily agreed that any international unit must be a small one so as easily to fit into the economic needs of all the countries interested. The question was whether this unit should be a franc exactly equivalent to that of the Latin Union—that is to say, weighing 0.3226 grammes, or one weighing 0.33437 grammes, and exactly equal to one-fifth of the gold dollar of the United States—that is, worth \$0.20 or \$0.193 in United States gold. The importance of European trade in South and Central America lent weight to the suggestion that such a unit should fit in with some system already in use in Europe. Several South American countries, notably Argentina, already possess a system based upon that of the Latin Union. This view was urged by Dr. Piñero, of Argentina, as follows:

It is more desirable to select a gold money of the same weight and value as the unit of the Latin Union, since the latter unit is based upon the decimal metric system, has a great range of circulation, is widely known beyond the states composing the union, and enjoys legal standing, while its reduction to other monetary units is a simple operation and its use in calculations and accounts is both easy and safe. Especially would the adoption of this unit remove any obstacles and difficulties that now embarrass the relations, so important and so numerous, existing between the American peoples and the European nations that compose the Latin Union.

The view of Dr. Piñero and those who share his convictions is expressed in his memorandum in the following terms:

The future of the dollar of the United States is the greatest that any monetary system can have. It would seem probable that this dollar may come to be the international money, but this will occur only when and provided that the United States dollar conform more readily to the decimal metric system, and be reduced to exact equivalence with the gold 5-franc piece of the Latin Union.

On the other hand, the United States delegation pointed out that business circles in the United States would readily subscribe to so simple an alteration as the creation of a unit of account worth one-fifth of the existing national unit, provided that such action would improve commercial relations. They urged the value of a system exclusively American, and likely to give every incentive to the banking communities in the richer countries, especially in the United States, to engage in trade or investment in other countries. With no intention to diminish the strength or cordiality of the relations existing between Latin America and Europe, our bankers and business men simply desire to create equally strong and enduring bonds between Latin America and the United States; Europe's part in the commerce and industry of Spanish and Portuguese America would



be only relatively less important; and the United States would ask but little encouragement to do its share in developing the commerce and industry of the southern continent.

The subcommittee submitted the following resolution to the committee, which in turn reported it to the commission:

The International High Commission believes that in view of the present monetary situation of the American Republics, the establishment of an actual uniform gold currency by these nations is an ideal impossible of realization. The only measure feasible at this time is the adoption of a money of account. Your subcommittee recommends that the unit of this money of account should contain 0.33437 grammes in weight, and be nine hundred one-thousandths fine; its multiples and submultiples should be based upon the decimal system and its ratio with existing monetary units be established by common agreement.

A cursory examination of available financial statistics showed how complex must be the task of introducing a gold standard into some of the Central and South American Republics. The question in each case is vitally bound up with trade balances and with local economic and financial conditions. The central executive council proposes no immediate change. It looks forward to the gradual adoption of the money of account in Government publications, tariff schedules, and customs documents. In time the advantages of facilitating banking operations through the medium of this money of account will become more and more widely known, and then measures might be taken for the expansion of this movement and the actual coinage of an international currency. The most practical means, however, of encouraging the establishment of a gold standard or gold exchange standards in the South and Central American Republics would be the establishment of an international gold clearance fund under the guaranty of many or all of the American Republics.

Briefly stated, this plan calls for the assumption on the part of all Governments signatory to the treaty of an obligation to regard the international fund as inviolable and to facilitate and protect the operations conducted by the various depositary banks agreed upon by the Governments. The physical transfer of gold with every large exchange transaction would thus be avoided; the gold would automatically pass to the depositary of the international clearance fund, while equally automatically the corresponding bank would release an equal sum to be drawn against by bills of exchange. Such a system obviously offers considerable economy in the cost of shipping, insuring, melting, and recoining bullion. In the course of time its adoption would lead to substantial reliance upon the proposed money of account, and ultimately stocks of gold would be coined on this basis, and the American franc would become a real coin in commercial use.

These suggestions met with favor, and the central executive council is taking the proper steps through diplomatic channels to secure their realization.

#### TOPIC XI.

There was much less opportunity for concrete suggestion in this field, and few memoranda were presented by the various delegations. It was, of course, entirely obvious that the financiers representing Central and South American Republics were anxious to learn what prospect there was of a greater amount of capital going to their respective countries from the United States. The United States

delegates pointed out that a beginning had been made in this direction; that various banks had already established branches in Latin America; and that other institutions were taking steps to engage in banking there.

The subcommittee agreed that one of the first steps would be the establishment of branch banks, not only for the purpose of facilitating normal business transactions, but also as a means to insure an adequate supply of capital for local investment needs. A resolution was adopted to the following effect:

That the International High Commission recommend to the American Governments the adoption of such measures as will place the banks in each country, wherever possible, in a position to extend their activities abroad, to establish branches on terms of reciprocity, and to facilitate the granting of credit to the trade and industry of other countries of the continent.

*Resolved, further,* That the International High Commission recommend to the institutions of credit of each country the adoption of such measures as are indispensable for the establishment of relations with those institutions in other American States, subject to their laws and on terms of reciprocity.

By virtue of the amendments to the Federal reserve act approved September 7, 1916, the United States national banks may now jointly own stock in banks "operating principally in foreign countries" under either State or National charter; and they are also permitted to accept clean three months' drafts, such as are required as means of remittance in foreign countries. The reserve act was further amended to allow Federal reserve banks to open reciprocal accounts for foreign banks that may become correspondents or agents of foreign banks. These are concrete, constructive measures largely serving to carry out the resolutions above recited—so far as legislation is concerned—and they are but another evidence of the tremendous impetus given by the First Pan American Financial Conference to the movement for a more intelligent cooperation between the merchant and the Government in the development of foreign trade.

## SECOND COMMITTEE.

**Topics:** II. Bills of exchange; bills of lading; warehouse receipts and other commercial paper in international trade.  
XIII. Uniformity of laws for the protection of merchant creditors.

### TOPIC II.

The second committee considered the uniform rules upon bills of exchange formulated at The Hague conferences of 1910 and 1912. This section hoped to secure, with reference to bills of exchange, the adjustment of local laws to the most liberal legal theories prevailing in the great commercial nations through the adoption in Latin-America either of the so-called Anglo-American principles or of the continental law as expressed in The Hague uniform rules. The Latin-American jurists believe that The Hague rules are more in line with the normal and natural development of their own law than is the Anglo-American law on bills of exchange. In view of this preference and of the fact that if The Hague rules were widely adopted in Latin America, there would be, broadly speaking, only two systems in use in this hemisphere, respectively based on the uniform rules of The Hague and on the United States uniform negotiable instruments act, this section recommended that The Hague



rules be adopted; that the commission proceed to regulate those matters left by The Hague convention to the free action of the contracting States; and that authoritative Spanish and Portuguese translations of the rules and relevant laws and commentary be circulated preliminary to the carrying out of the first recommendation.

Argentina recommended the adoption of the uniform rules of 1912 on the principle that the rules adopted should be those in use by the greatest number of States. The Uruguayan delegation submitted a report and draft embodying the best elements of the law on bills of exchange to be found in the commercial codes of Central and South America; and urged, pending the adoption of this draft, the acceptance of the series of definitions on bills of exchange formulated by the Congress of Jurists at Montevideo in 1889.<sup>1</sup> The Brazilian delegation urged that the International High Commission take as a basis of study The Hague rules, together with the laws of England and the United States, so as to unite the best elements of all in one system. The Venezuela delegation advocated the adoption of The Hague rules with certain modifications, and outlined a number of changes which it regarded as expedient. The delegation of Salvador contented itself with the acceptance of The Hague rules without change, while that of Costa Rica, after recommending public circulation of authorized Spanish and Portuguese translations of the rules, advised their adoption, with the reservations permitted by the first 22 articles of the convention, as well as others.

After the presentation of these memoranda the committee proceeded to study The Hague convention and reglement in detail with a view to determine to what extent each article was consonant with the law of each country and to find a compromise rule where necessary. An effort was made to dispense with the reservations permitted by the convention, and on the whole it was a successful effort. Permission to adhere to traditional national law was reserved in a few minor cases, but only in one important case, that of article 74 of the rules and articles 18 and 20 of the convention. It is not necessary to dwell upon these articles; the conflict between the law of nationality and the law of domicile has been an important point in all branches of commercial law. It is not readily realized how large a part of the exchange business of all the Republics of Central and South America involves transactions with Europe and with the United States, but it is easy to see that if many transactions were to rest within the jurisdiction of Europe or of the United States there would be little recourse to South American jurisdiction. A number of the delegates therefore found it impossible to accept article 74 of the rules and insisted that its consideration be postponed, although a strong argument for the adoption of that article was made by Dr. Eusebio Ayala, of Paraguay. Further formal consideration of this point was postponed until the second meeting of the commission.

The committee directed that the text of the uniform law be modified in accordance with these resolutions and that the draft of the law thus modified be submitted to the several Governments. The acceptance of the definitions formulated at the conference at Montevideo in 1889, was urged on the ground that these definitions would facilitate the adoption of the uniform rules.

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<sup>1</sup> These will be found in part 2.

The committee found time to refer to the other commercial documents which serve as instruments of international trade, recommending that the various Governments study The Hague rules on checks formulated in 1912, with a view to making appropriate suggestions to the second conference of the commission. With reference to bills of lading and warehouse receipts, the committee examined the Spanish versions of the United States uniform laws.

The recommendations of the committee on negotiable instruments seem quite practicable. The passage by the Congress of the United States of the Federal bills of lading act has encouraged Latin America in the belief that our Government is sincerely endeavoring to make the instruments of commercial intercourse uniform and secure. Failure to pass this act would have made it difficult for this section to urge the enactment of similar legislation elsewhere.

The central executive council is now circulating the material requested on these subjects.

#### TOPIC XIII.

This committee dealt likewise with the thirteenth subject of the program which had been proposed by the Argentine delegation. The object of this topic was to secure adequate protection for the vendor of merchandise against the insolvency or bad faith of the purchaser. Dr. Ricardo C. Aldao, of the Argentine delegation, in presenting a memorandum on the subject, insisted that the vendor of chattels should have the same protection as that accorded to the vendor of realty, so long as the identification of the chattels be possible; that the mortgage of goods should likewise be illegal if the goods have not been paid for; and, finally, that the rights of the vendor are superior so far as merchandise sold by him is concerned to the rights of the lessee or pledgee. Dr. Aldao further urged the enactment of legislation compelling merchants to leave clear records in their books not only of purchases but also of all sales of merchandise of which they are not yet owners.

The committee unanimously resolved to recommend to the Governments of all the American countries the inclusion in their legislation of provisions "assuring the legal status of credits arising from the sale of merchandise." At this time the Conference of Commissioners of Uniform State Laws is engaged in preparing a second draft of its conditional sales act, and in view of generally similar conditions, the council no doubt can secure from the conference of commissioners valuable assistance in finding a remedy for this situation.

#### THIRD COMMITTEE.

**Topic: III. Uniform classification of merchandise; uniform customs regulations; uniform consular certificates and invoices; port charges.**

The subjects considered by the third committee have been a part of the program of every Pan American conference since 1889. The conference of 1889-90 strongly urged uniformity of customs and consular regulations and called for a preliminary survey of existing regulations. The second conference concluded that only a gathering of technical experts could solve these problems. In consequence



a customs congress was called, and met in New York in 1903. This body found that it had not enough material at hand for the formulation of detailed regulations, and was obliged to refer the matter to the Pan American Union for further research and comparison. Again, at Rio de Janeiro, in 1906, the Third Pan American Conference felt that the subject was too technical for action in a general assembly, and resolved to create a section of commerce, customs, and statistics in the Pan American Union. Practical difficulties arose, however, to delay the establishment of this section until after the fourth conference, at Buenos Aires, in 1910. This conference, besides urging the establishment of the section and defining its status and activities, reviewed the work of the earlier conferences and of the customs congress, prepared a uniform consular invoice, and agreed to abolish the certificate of origin and consular certification of bills of lading.

The United States section of the International High Commission, on the basis of the excellent reports prepared for its consideration, aimed at accomplishing the following objects:

1. Adoption of the Brussels classification by all the American nations for statistical purposes.
2. Adoption of the uniform manifest approved by the Fourth International Conference of American States, at Buenos Aires, in 1910.
3. Abolition of consular certification of manifest.
4. Abolition of the certificate of origin.
5. Adoption of the invoice recommended by the conference of 1910, consolidating the material requirements of the various governments.
6. Use in the invoice form of the language of the country of exportation as well as that of the country of importation.
7. Limitation of government requirement of invoices to four copies.
8. Free supply of invoice blanks by consular officers.
9. Establishment wherever possible of a fixed fee for certification of invoices.
10. Adoption of a rule permitting one consular invoice to cover an entire shipment from one consignor to one consignee, regardless of the number of separate marks in the shipment.
11. Abolition of consular certification of bills of lading.

In addition, the United States section desired to urge the adoption by the customs authorities of Central and South America of a more complete and adequate system of checking off goods and auditing the receipt and payment of customs dues. An investigation made under the direction of the Federal Trade Commission has shown how helpful would be the use of an audit system similar to that of the United States. This system would depend upon a central valuation bureau for each customs service. Samples would be sent from all custom-houses to these bureaus to be passed upon with a view to establishing a uniform and consistent classification and rating.

Finally, the United States delegation prepared a plan for the sanitary certification of freight between American ports, which would assure the care and circumspection necessary for the several types of freight. This plan<sup>1</sup> provides for an annual conference of quarantine officers to be held at convenient centers for the purpose of devising effective systems of inspection of quarantine facilities and methods. International sanitary regulations would be developed in the course of time. This plan was referred to the sixth sanitary conference, scheduled to meet at Montevideo after the war.

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<sup>1</sup> To be published in part 2.

Carefully prepared memoranda<sup>1</sup> were presented to the committee by the Argentine and Uruguayan delegations on the adoption of an international system of classification and the limitation of consular documents to manifest and invoice, and they pointed out how the procedure surrounding the issue and certification of these documents could be made simpler.

The committee compared the recommendations made by the various delegations and succeeded in constructing a definite series of proposals which will serve as an excellent starting point for the labors of the central executive council in this matter. It confined its recommendations to matters of practical character and made no attempt to deal with the question of fiscal policy or with tariff rates.

The first section of the report deals with classification of merchandise, and here the committee unanimously recommended the scientific and flexible system adopted at Brussels in 1913. This system will be used for the present merely for statistical purposes; but the committee recommends that thought be given to the use of the Brussels schedule in the formulation of fiscal tariffs. The committee further advised the use of the Pan American money of account in the publication of statistics.

The advantage of uniformity in statistical methods is readily seen. As pointed out by Dr. Rutter in his report upon this subject to the United States section of the commission, statistical methods can be altered by administrative action without change of law, and a uniform classification may be adopted as a supplementary system without affecting the regular statistics published by each country. The Brussels classification is, of course, general in character, having only 186 items, as compared with 5,000 items in the tariff schedule of the United States. It is, however, clear that no prospect of uniform customs classification will exist unless the statistical tariffs can be made reasonably uniform.

The committee further accepted the suggestions made by Dr. Vazquez, the Uruguayan delegate, that a scientific nomenclature be constructed for the tariffs of all the American Republics, together with a statement of all duties and surcharges both by items and in the aggregate. The value of a reliable compilation of this material would be unquestionable. With regard to uniformity of customs regulations, the saving of time through the discontinuance of the less necessary formalities, and the reduction of charges imposed upon merchandise in transit were the chief objects of the report. The recommendations of the Fourth Pan American Conference in Buenos Aires in 1910 with reference to consular certificates and invoices were accepted practically without change. The obligation to secure action is consequently all the more heavily incumbent upon the central executive council. Similarly, with reference to port charges, it was felt that nothing more could be done than ask for the greatest exercise of moderation in imposing harbor dues; beyond such a recommendation the committee did not attempt to go, except to suggest that tonnage dues be computed on the basis of net registered tonnage.

The program of the International High Commission in these matters was thus clearly constructed. Regarding the recommendations, not so much from an international point of view as from that of

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<sup>1</sup> Both will be found in part 2.



specific action on the part of the United States, this section ventures respectfully to suggest that the following action be taken:

1. The Department of Commerce to publish the export and import statistics of the United States in accordance with the Brussels classification expressing all values in United States currency and in the American franc.

2. Measures to be taken involving legislative action, if necessary, to secure the uniform adoption in this country of the standard manifest and invoice recommended by the conference.

As for international action, we believe that the central executive council may expect practical results through:

1. The construction by fiscal experts of a scientific schedule in as great detail as that of the United States as the basis of the nomenclature.

2. Practical representations to the respective sections as to adoption of uniform regulations and prescription of uniform documents.

#### FOURTH COMMITTEE.

**Topics: IV. Uniform regulations for commercial travelers.**

**VII. Extension of the process of arbitration for the settlement of commercial disputes.**

#### TOPIC IV.

The unrestrained local regulation of commercial travelers and imposition of taxes upon their operations has long formed an obstacle to the expansion of trade in Latin America, but until recently no definite action had been taken in the matter. The First and Second Congresses on Customs Regulations, held in Paris in July, 1900, and in November, 1913, elaborated a "customs card," which was to be issued by customs authorities of the salesman's country and was to contain detailed information as to his business and the character and quantity of his samples. Supplementary coupons attached to the certificate were to provide for his entrance into the countries specified or his departure therefrom. Both congresses acknowledged the necessity of completing the customs examination of samples within 24 hours after arrival and the desirability of suppressing, or at least consolidating and rendering uniform, all taxes and local fees.

As was pointed out during the First Pan American Financial Conference, the fees imposed upon the operations of commercial travelers differ throughout the Central and South American Republics. The fees themselves are occasionally large, the periods of time for which licenses are valid are never very great, and the restrictions upon the activities of travelers are sometimes severe. This delegation advised that such regulations as were necessary be made as liberal as possible. It was urged that while cases may have occurred in which commercial travelers sought to circumvent the customs laws, in these days commercial houses select their traveling men with great care. The section, convinced that the facilitation of the activities of the salesmen would be beneficial for all parties concerned, ventured to suggest the serious consideration of the certificate devised by the Second Congress on Customs Regulations, to which reference has been made.

Dr. Luis Zuberbühler, of the Argentine section, presented to the commission an illuminating and compact report upon this subject, in which he analyzed the laws of all the commercial peoples of the world, and submitted a series of recommendations which met with the approval of the commission. He declared that arrangements might be

made by treaty to federalize, consolidate, and reduce the license fees imposed upon commercial travelers, as well as to provide for the temporary admission of samples of commercial value subject to bond.

The United States section notes with satisfaction that the practical recommendations of this commission in this regard have already served as the basis for legislative projects in Argentina. The preparation of a standard form of treaty to secure similar legislation elsewhere will entail no difficulty and is under way.

#### TOPIC VII.

The other matter with which this committee dealt was also new to the program of Pan American conferences. Arbitration of commercial disputes is a subject to which attention has been drawn in recent years through the activities of the international congresses of chambers of commerce. The fifth of these congresses, held in Boston in 1912, recommended that the United States call an international congress to organize an international court for the settlement of disputes between Governments and aliens. Excellent machinery for the settlement of such cases has, however, already been provided through the action of the Fourth International American Conference, held at Buenos Aires in 1910, in indefinitely extending the availability of the convention on pecuniary claims adopted by the second conference in 1901-2, and temporarily renewed by the third in 1906. It is hoped that steps may be taken to secure the ratification of this convention.

The Sixth International Congress of Chambers of Commerce, which met at Paris in the early summer of 1914, resolved that an international technical conference should be convened for the purpose of working out an international agreement on the arbitration of commercial disputes. For some years the Cotton Manufacturers' Association of Italy and France had a practical arrangement of this sort, and in 1910 the Congress of the International Association of Publishers at Amsterdam agreed on rules for that trade. Consequently, the idea was reasonably familiar, and the sixth international conference formulated it to the extent of calling for international rules. The suggestion was even made that there be established, presumably at The Hague, a permanent bureau to digest and publish the decisions of the chambers of commerce and to revise their arbitral procedure.

On the basis of the work of the international congresses of chambers of commerce, in 1915, and at the suggestion of the Argentine delegation to the Pan American financial conference, negotiations were begun between the Chamber of Commerce of Buenos Aires and that of the United States. The agreement between these bodies, in effect from April, 1916, establishes the method of selecting arbitrators and the procedure of the arbitral boards, and is supplemented with rules for the disposition of merchandise during proceedings.

The commission recommended the adoption of this agreement between all American commercial organizations. It also urged measures for the settlement of commercial controversies of an international nature, thus instructing the central executive council to effect more general ratification of the convention of 1910 on pecuniary claims.



Objections that this system is unworkable, that arbitral awards can not be enforced by the courts of the United States, and that industrial technicians can not be turned into judges, are by no means insuperable. What is aimed at, and what is likely to be achieved, is the prompt examination and adjustment of disputes, with public registration of the decisions. Agreements that involve the credit and standing of any group of business men are likely to be effective. The commission urges, therefore, that the commercial and financial communities of America lend their heartiest and most sustained support to this praiseworthy movement for a direct, inexpensive, and expeditious method of settling commercial disputes.

#### FIFTH COMMITTEE.

**Topics: V. Patent, trade-mark, and copyright legislation.**

**VI. Reduction and uniformity of postal rates; money-order and parcel-post facilities.**

#### TOPIC V.

No subject has been more frequently discussed in the international conferences of American States than the protection of industrial and literary property. As far back as the juridical congress of Montevideo of 1888-89, treaty drafts on patents, trade-marks, and copyrights were studied, patent treaties of Paris (1883) and Brussels (1900) and the trade-mark treaty of Paris (1891).

With reference to patents, the conference of 1910 was content to enunciate the general principles protecting the rights of inventors, and referred the signatory States for the details of their legislative form to the international treaties of 1883 and 1900. Provision was made for international registration of trade-marks at bureaus in Habana and Rio de Janeiro, and the complex question of priority of application for registration was regulated. For copyright registration, the bureau system recommended by the conference of Rio de Janeiro was given up. The fourth conference sought to assure equal rights in all signatory States to applicants for copyright in any one of them. Eleven States, including the United States, have ratified this treaty. The most recent ratification, that of Costa Rica, has occurred since the Buenos Aires conference, and in part due to the recommendation there made.<sup>1</sup>

Early ratification of the three conventions of 1910 is necessary rather than desirable, as otherwise the situation with regard to patents is simple; nine States had ratified the convention, although not always enacting the necessary administrative legislation. Here, therefore, ratification of the convention and enactment of legislation making it effective is what is needed. With reference to copyrights, in addition to recommending ratification the section submitted modifications of the convention, proposed by representatives of the music publishing and motion-picture industries in the United States. As for trade-marks, it was brought out that some American countries grant protection to the person who first registers, and the formalities surrounding registration do not always adequately guarantee ownership, nor is the owner always able to recover possession by proving in

<sup>1</sup> At the same time Costa Rica has ratified the patent, trade mark, and pecuniary claims convention of 1910.

court the fraud of the first claimant. The adoption of the treaty will correct this.

Other delegations suggested changes in the conventions, especially that of Chile, which pointed out the necessity of defining exactly the priority of registration as between trade-marks registered at either of the international registry bureaus of Rio de Janeiro and Habana and those registered in any one country, and the importance of more explicit restrictions on national registration as contrasted with that of the international bureaus. The Chilean delegate proposed that these matters be referred to the respective Governments for study and consideration at the Fifth International Conference of American States, to be held at Santiago de Chile after the war.

The committee recommended the ratification of the convention of 1910 and referred all modifications to the fifth international conference. The suggestion of Dr. Lobos, as to the renewal of the registration of patents and trade-marks in the case of countries at war, was also approved.

In accordance with the resolution of the committee, an inquiry is being pursued by the central executive council among those countries that have not yet ratified these conventions, with a view to learn the reasons for nonacceptance. Little difficulty will be experienced in putting the provisions of these conventions in effect in the United States, and, in fact, our law is now practically in accord with the convention. Congress, however, would have to appropriate the money required under article 15 of the convention. With regard to copyrights, the section believes that to same extent the recommendations of the committee can be realized by an informal agreement between the administrative officials of the several national copyright bureaus. If the exchange of registry entries between some of the copyright offices could be regularly effected there would soon be a more widespread recognition of the superior advantages of the system formulated in the copyright convention. The council is cooperating with the register of copyrights to this end.

#### TOPIC VI.

Like other subjects on the program of the International High Commission, the question of improved postal facilities is not new in American conferences. The conference of 1889-90 emphasized the need of adequate steamship facilities in connection with mail service. In recent years the reduction of rates has been the side of the question most discussed. The Fifth and Sixth International Congresses of Chambers of Commerce resolved in favor of the adoption of universal 2-cent postage. Naturally many of the American Republics for fiscal reasons can not go quite so far as they would like in reducing postage rates. An early agreement on this matter and study of the possibility of improving money-order and parcel-post facilities were recommended by the commission. Improvements could be effected in the parcel-post system through the correction of delays, the reduction of delivery fees, the introduction of the "cash-on-delivery" system, and the establishment of an equitable system of division of parcel-post receipts. Vigorous steps should



be taken to create an American system of money-order conventions, and various administrative problems of importance have to be solved. The best results could be achieved in these technical subjects by the establishment of a permanent international postal union comprising one or more experts representing each country. In 1911 there was held at Montevideo a South American postal congress, which recommended measures for the improvement of the postal services of South America, and a second conference was to have been called for 1916 to perfect the organization of an international postal bureau of the American Republics. Owing to the war the second conference was postponed indefinitely. The Uruguayan Government will announce the date and place after consulting the other interested countries.

The conference of 1911 agreed upon an international bureau, empowered to prepare conventions and to arrange their submission and the exchange of their ratifications, and, in general, to attend to the numerous administrative details that are certain to arise in an international union. The American Postal Union of Montevideo was intended to supplement and cooperate with the International Postal Union of Berne. In urging the establishment of this technical body on a permanent basis our delegation pointed out that while "each of our Governments must attend to its own affairs and guide its postal system on a rational basis in accordance with its own national needs" a permanent postal union could cope with the difficulties of transportation of the mails on land and sea which are due to the character and extent of our continent and which give rise to questions which rarely trouble the postal experts of Europe.

The commission recommended the formal adherence to the postal congress of 1911 and the "transformation of the South American Postal Union into an American Postal Union," further expressing the hope that the postal conference may be held soon.

While this Government was not represented at the postal conference of 1911, the Postmaster General of the United States recommends that the Post Office Department participate in the second postal conference, whenever called. It is to be expected, therefore, that these recommendations will be realized shortly, with much benefit to the American nations.

#### SIXTH COMMITTEE.

**Topics: VIII. International agreements on uniform labor legislation.**

**IX. Uniformity of regulations governing the classification and analysis of petroleum and other mineral fuels with reference to national development policies.**

#### TOPIC VIII.

The topics considered by this committee were proposed by the Uruguayan and Argentine Governments, respectively. With reference to labor legislation, His Excellency, Pedro Cosío, the minister of finance of Uruguay, pointed out the difficulty in improving the conditions under which productive labor is carried on and urged the need of insuring general knowledge of the principles of labor legislation. In order that America may be the "land of promise"

he insisted that it must defend the laborer from excessive hours, unfair wage conditions, and dangerous occupations. The workman and workwoman must be assured, too, that society will not abandon them if they fall sick from overwork nor permit them to be reduced to starving or begging if they arrive at old age in poor circumstances, and, that, finally, society will find sure means of educating them and of aiding and encouraging them in their just and legitimate aspirations.

The commission was impressed by the general desire to cooperate more effectively in protecting and strengthening the laboring population of the Americas. As, however, an international labor convention is not practicable now, the commission could only recommend that each Government enact progressive labor and social welfare legislation and provide for systematic exchange of technical and statistical literature.

The Department of Labor of the United States and similar departments in Latin America might easily exchange all their publications; and the system could be extended so as to include all civic bodies interested. The publication of the Pan American Union will possibly serve to make better known the work accomplished in this field in the United States and in Europe; and legislative and executive commissions, as well as organizations of the character of the American Society for Labor Legislation, will wish to cooperate with the Pan American Union. Thus, those countries whose economic and industrial conditions give sufficient promise of sustained public interest in this subject, may soon avail themselves of the excellent procedure devised by the International Labor Association for the conclusion of international labor agreements.

#### TOPIC IX.

The report of the Argentine delegation on the ninth topic emphasized the economic interest of the American Nations in their supply of mineral fuels. Recent Argentine legislation indicates an effort to establish a comprehensive national policy. The report closes with the following observations, which it is interesting to compare with views recently expressed in the United States:

If mines are owned by the State and leased to citizens or to foreigners for a limited or indefinite period, if public interest in the exploitation of these mines calls for an outlay of capital and of labor without reference to nationality, and if, on the other hand, it is universally recognized that whatever judicial theory may be adopted as to the ownership of this property, its complete economic development has a direct bearing upon the industrial progress of the continent, upon maritime traffic, and upon the well-being of the consuming classes, why can we not prepare an international agreement that will encourage an active exchange of views on the results achieved by each of our nations? Is there any advantage in making uniform our laws and administrative methods which are best calculated to secure the prosperity of each republic—that is to say, the prosperity of all America? If the answer be “yes” I can not see why we exclude the regulation of mineral fuels from this beneficial uniformity, especially when it is not a question of ignoring the peculiar circumstances or interests or sovereignty of any of our republics, but rather of stimulating the development of the natural resources of all of them so as to facilitate the widest possible exchange and use of these resources and to furnish at low rates the transportation required for such exchange.



The commission heartily agreed with Dr. Lobos, and in its resolution recommends that all the Governments take appropriate action to supply the section of commerce, customs, and statistics of the Pan American Union with the material necessary for the preparation of an authoritative and detailed report on the legislation of the American Republics with reference to the development of mineral resources. Greater uniformity of such legislation is to be aimed at. The report will study the technical methods of analysis and classification of mineral fuels officially in use and contain an authentic official record of the character and extent of the chief deposits of mineral fuels.

A similar aim is expressed in a resolution adopted by the Second Pan American Scientific Congress held in Washington, December 27, 1915, to January 8, 1916. Article 37 of the resolutions of this Congress recommends:

(a) A compilation be made according to a definite plan of the mining laws of the American Republics, not only in their original languages, but also in Spanish, Portuguese, French, and English translations, as the case may be, with a view to the reciprocal improvement of the laws of each of the American Republics.

(b) The several American Governments appoint a committee to consider the uniformity of mining statistics and to make recommendations to their respective Governments in order to systematize, simplify, and standardize such statistics.

As set forth in the commentary upon this resolution (pp. 121-126 of the final act of the Second Pan American Scientific Congress, Washington, 1916), there is much duplication in statistical work as well as a lack of uniformity in the data used by statisticians and analysts, and an international committee was suggested for the solution of this question. Similarly the scientific congress felt that slight improvement of the mining laws of the different countries could be hoped for unless a detailed compilation of these laws in all languages spoken in America could be put before those most interested and most competent to criticize.

Technical work of this character is both slow and expensive. It is doubtful whether the section of commerce, customs, and statistics of the Pan American Union can realize to the fullest extent the recommendations made at the Buenos Aires conference, but with the help of such an appropriate organization as the Pan American joint engineering committee it might accomplish much of real value. With the exchange of information and the more intimate knowledge on the part of all our nations of the most scientific and progressive measures adopted by any of them we may be not too sanguine in hoping for the conclusion of constructive international agreements of the character suggested by Dr. Lobos.

While other conferences have dealt with maritime transportation, the Pan American railway, or with postal facilities and cable rates, no previous international gathering has tried to arrive at a comprehensive and constructive public policy on these matters. The International High Commission was able to arrive at a concrete program of international cooperation in this fundamental group of subjects.

## SEVENTH COMMITTEE.

- Topics:** X. Necessity of better transportation facilities between the American Republics.
- XII. Telegraph facilities and rates; the use of wireless telegraphy for commercial purposes.

## TOPIC X.

The First Pan American Conference of Washington deplored the lack of adequate steamship facilities (S. Doc. 174, 51st Cong., 1st sess.), and successive conferences deprecated the inaction of the American Governments in this regard, declaring that only vigor on the part of any one of the American Governments was needed to secure the cordial cooperation of all of them. At the financial conference of Washington in 1915 this was the chief topic of interest. Equally sustained attention has been given to transportation from the beginning of the commission's work. While it was appreciated that in each of the Republics the problem of transportation presents some particular aspect due to local needs and national policies, it was hoped that the way would be clear for a definition of a general policy of international cooperation.

The sense of the entire commission seemed to be that only the United States had the resources adequate to carry out the gigantic task of rendering the Western Hemisphere independent of Europe for its carrying trade. The resolution on this point reads:

That, inasmuch as the United States are at this time in a position to dispose of superior resources in meeting the need of an international merchant marine, such cooperation as the resources of each country will permit ought to be offered by the other American nations. Whether this action takes the form of capital supplied or ships operated by their Governments or is based upon a transaction involving private capital, their cooperation should be of such a character as to assure the immediate and practical realization of a service imperatively required by the economic situation of the continent.

Argentina had never hesitated, Dr. Lobos declared, in moving the adoption of the resolution, to supplement the insufficiency of private capital with an adequate outlay of national resources in order to assure economic security and the development of commerce. This was true, and no less emphatically, of the other Republics which now face the same pressing problem.

The United States are to-day holding out to us the solution of the problem. It is but natural that they should have the right to select the most practical formula; it is equally natural that we should refrain from further urgency, since the United States have elected to solve this problem in order to indicate their accurate appreciation of the conditions now existing in America and to manifest the energy with which they will deal with the situation in such a way as to promote the prosperity of the other American nations. \* \* \* The committee on maritime transportation, in accordance with the resolution of the Fourth International Conference of American States, and bearing in mind present conditions, is convinced that the establishment of two steamship lines between New York and Valparaíso and intermediary points, on the one hand, and between New York and Buenos Aires and intermediary points, on the other hand, is a pressing need. The committee realizes, too, that the bill providing for the investment of \$50,000,000 by the Government of the United States in this task is receiving the approval of public opinion and of the several Governments. \* \* \* It is a measure which in no sense precludes other Republics from rendering proportionate assistance in solving the problem. \* \* \* Extraordinary conditions call for extraordinary measures.



The Brazilian minister of finance, His Excellency Dr. João Pandiá Calogeras, supported the resolution, although he stated that he was not expressly authorized to speak on the subject of improved transportation facilities. He nevertheless felt it incumbent on him, for several reasons into which it was not necessary to enter, to say that Brazil to-day controls the greater part of the transportation between Brazilian ports and several portions of North and South America.

Any action taken by the conference to solve the serious transportation problem will find the situation in Brazil sufficiently advanced to allow the immediate undertaking of work. The present situation is so serious that I do not exaggerate when I say that Brazil and all the other American Republics are practically in the position of beleaguered towns, and we shall not hesitate to adhere to whatever proposals are advanced by the other delegates.

The proposal of the United States delegation, he said, had the most cordial approval of the Brazilian Government. He further believed that the terms of the committee report were such as to embrace any practical solution, not only that embodying two Pan American lines but also that suggested by the Chilean delegation.

The passage of the act creating the United States Shipping Board enables the United States Government to correct a situation that was rapidly growing worse; and once the shipping is available, it will diminish the danger of constantly higher rates between South America and the United States. These rules militate seriously against our manufacturers in the purchase of raw material which have long been available to European manufacturers at lower cost, because of the cheaper facilities for transportation. Naturally, it has been correspondingly difficult to compete with Europe in supplying Latin American markets. The effort of our Government to offer a remedy for this serious situation will no doubt contribute largely to the improvement of our commerce with Latin America.

The seventh committee dealt likewise with railway transportation. The completion of the Intercontinental Railway, connecting North and South America, is now more than ever essential to the successful development of North and South America with the completion of the Panama Canal and the impetus thereby given to trade. Since the second international conference of 1902 the permanent Pan American railway committee in Washington has directed the completion of the surveys necessary to link up various national railroads into the Intercontinental system. The constructive character of this undertaking, which was discussed for over 25 years, has been guaranteed by the hearty interest of men foremost in the industrial world of North and South America.

A resolution calls for the appointment of new engineering units by the permanent committee in Washington for the purpose of making "technical surveys and economic studies necessary to determine the route, the cost of construction, volume of trade, and probable revenue of the lines completing the Pan American Railway." It is unlikely that the cost of this technical survey would be great; and this section respectfully recommends that the permanent Pan American railway committee be requested to estimate the cost, and that the Congress be asked to appropriate the sum necessary to carry this work to completion. Only when the survey shall have been terminated can private capital be encouraged to undertake the task of building the connecting links of the Pan American Railway.

We further wish to draw attention to the fifth clause in the resolution of this committee reading as follows:

That States contiguous to each other and traversed by international railroads establish mixed boards to study the rates, railroad regulations, and such customs agreements as may be required because of the international character of these lines.

The central executive council of the International High Commission will discuss this important matter with the several sections and endeavor to secure the establishment of the commissions recommended.

#### TOPIC XII.

The commission considered solely the general policy on telegraphic and radiographic communication, and formally approved the scientific study of these topics by the radiographic conference to be held in Washington under the joint auspices of the State and Navy Departments. All that the commission wished to examine was the commercial and legal side of these services, and the claim made by those operating them that all the reductions have been made that the volume of business will warrant at this time. Government policy on the ownership or operation of telegraph and radio telegraph companies was also open to discussion. While there has been an agreement among the American Governments that, for obvious reasons of security, the ownership of such companies should not pass from American hands, there has been a difference of opinion whether ownership should be vested exclusively in governments or permitted to remain in the hands of individuals.

The desirability of a uniform international telegraph rate for all American Republics was urged by the Argentine delegation, which pointed out the efforts made by the Argentine and other Governments to secure uniformity of domestic rates. The domestic rates of Argentina have been extended by formal conventions (with Uruguay in 1899 and Chile in 1903) to some of her neighbors whenever they participate in the transmission of messages. While this system might entail losses, it was emphasized whenever the companies of more than two countries took part in the transmission of a message such losses would not be the primary consideration if they were controlled by their Governments. Nevertheless, a consistent basis must be found for the profitable transmission of messages over great distances, and such a basis Dr. Echagüe, of Argentina, found in the "European system" established by the International Telegraph Convention of 1875; and he recommended the adoption of this system for land and water lines wherever possible.<sup>1</sup>

The United States section advised the reduction of telegraph rates and the extension of cable lines to serve regions now without service or with inadequate service; in dealing with the radiographic situation recommended safeguarding its control by the American Governments. Whether such control should mean more than regulation

<sup>1</sup> The European system establishes a single and uniform elementary transit rate, and a single and uniform elementary terminal rate; these minimum charges, respectively 7 and 9 centimes, form the component parts of the total rate. In accordance with this system small countries—Belgium, Switzerland, Portugal, Luxemburg, and Roumania—are permitted to reduce the units composing this rate, respectively, to  $\frac{3}{2}$  and 6 centimes; while large countries, such as Russia and Asiatic Turkey, have been allowed to impose rates as high as 24 and 30 centimes, respectively, because of obvious difficulties.



and involve actual ownership was a matter outside the scope of the section's knowledge. On the other hand, it was doubted whether the service now owned and operated by Governments for naval purposes could be profitably used for commercial traffic.

The commission incorporated the views of the Argentine and United States delegates in its recommendation, that a definite governmental policy be adopted looking to an international telegraph and cable rate convention, based on the European system. Furthermore, it is urged that wherever possible the Governments of America should control telegraphic and radio communication and refrain from granting new concessions. The chairman of the United States delegation pointed out that conditions in the United States were so distinct from those obtaining in other countries that these recommendations could not be considered to apply to the question of telegraphic communication in the United States. So far as Central and South America are concerned, the section feels that this recommendation expresses the view held in these Republics as to correct policy and governmental responsibility for the supervision of public utilities of vital importance for the promotion of national commercial interests. It hardly foreshadows an immediate action on the part of any Government, and merely emphasizes a spirit of vigilance and active participation in all matters of public interest. The great work performed during so many years by telegraphic companies organized in the United States for the improvement of facilities between here and Central and South America, has not been overlooked by the section, nor shall we fail to bear in mind our responsibility for securing the most equitable and satisfactory treatment of all interests. Now, as ever, these companies are responsive to the real needs of commerce, and it is to be recorded with much satisfaction that since the meeting of the commission not only press rates but commercial rates have been substantially reduced.

#### RESOLUTIONS PROPOSED AT GENERAL SESSIONS.

A number of resolutions were brought up on the floor during the course of the conference, to which reference may be briefly made in this place. Several of these matters were requests for future action by the commission. Dr. Eduardo Jiménez de Aréchaga proposed the holding of a special conference on the uniformity of maritime law and the law of marine insurance. The commission agreed that there might be advantages in undertaking an organized effort in this direction, and the subject will be taken up by the central executive council. Similar resolutions were presented with reference to the preparation by the International High Commission of agreements on the law of telegraphic drafts and remittances, and on the formation and operation of stock companies and the issue and circulation of their obligations. All three topics come properly within the range and scope of the commission's activities, and it is the hope of this section that under the guidance of the central executive council the views of most of the sections on these matters will have crystallized before the second meeting of the commission.

Other resolutions were adopted which, while somewhat less directly bearing upon the work of the commission, are significant of the wide

educational influence that such an international body must inevitably have. Dr. Guillermo Subercaseaux, of the Chilean delegation, proposed a resolution on an international bibliographical review "in view of the difficulties at present encountered in obtaining works published in certain Republics of America." Such a review would contain accurate bibliographical information such as the title, place and date of publication, publisher's name, price, etc. The section learns with much pleasure of the proposed establishment of such a review under the direction of the Ateneo Nacional of Buenos Aires, in consequence of a recommendation of the historical congress held at Buenos Aires in July, 1916. To the request of the central executive council that every possible assistance be given this enterprise, the United States section responds most heartily, and hopes that the Librarian of Congress and other directors of learned institutions will cooperate with those interested in the new review, so as to make it in the fullest sense Pan American.

The Uruguayan delegation proposed the establishment of permanent expositions of the products of the United States in the leading cities of South and Central America, as well as similar institutions in the United States for the permanent exposition of the products of Latin America. All of these institutions would be under the patronage of the respective Governments. The resolution was seconded by the chairman of the United States delegation and met with the hearty approval of the commission. The section feels that a movement of this character should be encouraged by official support, for it would certainly serve to develop commercial relations between the American nations.

The chairman of the United States section presented a resolution on the study of Portuguese, Spanish, and English in all public institutions of learning throughout the continent. Realizing that long years of patient propaganda will be required if we are to insure the practical study of these languages, this delegation felt that the commission might lend its sanction to the movement for more thorough instruction therein. The great interest that has recently developed in the United States in Spanish and Portuguese will be productive of great benefit to our commercial and financial relations, and we feel that it is incumbent upon the educational authorities to see that this interest not only shall not decline but that it shall actually increase. It was in this spirit that the recommendation was presented and adopted.

The last matter of this character with which the commission dealt was a resolution presented by his excellency the minister of finance of Uruguay on the Second Pan American Financial Conference. Dr. Cosío's resolution reads as follows:

*Resolved*, That it is highly advantageous that a Pan American financial conference of the character of that held in Washington in 1915 meet every two years; that the next Pan American financial conference take place in 1917 in Washington, the exact date to be agreed upon subsequently among the various Governments, upon the initiative of the central executive council of the International High Commission; that the ministers of finance of all the countries of the American Continent be urged to attend, in view of the fact that the financial questions there to be discussed constitute the most important problems of these conferences, and in view, also, of the fact that the presence of these ministers is conducive to the more effective carrying out of the resolutions adopted.



Dr. Cosio declared that it would be a real check to the development of commercial relations if a second financial conference were not held. The financial conferences, he urged, should be held in Washington in order that the largest number possible of merchants and bankers of the United States could have an opportunity to mingle with the business men and financiers of Central and South America. The purpose of the financial conferences is distinct from that of the International High Commission. The latter is concerned with financial studies and legislative reform, while the former is a gathering of financiers and merchants for the facilitation of wider acquaintance and for general discussion of the important problems that are more concerned with trade and banking practice than with official action. The International High Commission would, of course, continue to maintain close connection with the conference, regularly reporting on the work accomplished and outlining its future plans; in the words of the chairman of the section in his address on this subject:

The work of the International High Commission will be the connecting link between the successive Pan American financial conferences which, for my part, I earnestly hope may become a part of the permanent policy of the American States. If such a financial conference shall be held every two years, with the International High Commission as the intermediate working body to carry into effect the conclusions of these conferences, we will no longer live in the realm of theories, but will make practical results of every conference certain.

The program of the financial conference would always be made up on the basis of careful consultation with the central executive council. On the other hand, the financial conference would, from time to time, find appropriate cause for suggesting new topics for the program of the commission. In view of these considerations, the commission heartily adopted the resolution proposed by Dr. Cosio.

The section wholly agrees with the words of the Secretary of the Treasury with reference to this resolution at the time of its presentation, that it "fits in with the general plan upon which we are proceeding. \* \* \* We shall be very happy to have another meeting of the Pan American financial conference at Washington, and as many meetings as you may wish to attend." As this is a matter officially within the province of the Secretary of the Treasury, the section as a whole does not consider itself authorized to make a definite recommendation. We desire, however, merely to record our sincere belief that great advantages will accrue from the holding of a second financial conference at an opportune time.

Respectfully submitted.

W. G. McADOO,  
*Chairman.*

JOHN H. FAHEY.  
DUNCAN U. FLETCHER.  
ARCHIBALD KAINS.  
ANDREW J. PETERS.  
SAMUEL UNTERMYER.  
PAUL M. WARBURG.

The PRESIDENT,  
*The White House, Washington.*





## APPENDICES.

### APPENDIX A.

ACT OF CONGRESS APPROVED FEBRUARY 7, 1916.

AN ACT To provide for the maintenance of the United States section of the International High Commission.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the appointment of the nine delegates by the Secretary of the Treasury to represent the United States in the proceedings of the International High Commission, to be held in Buenos Aires, Argentina, during the year nineteen hundred and sixteen, in accordance with the action of the First Pan American Financial Conference held in Washington during the year nineteen hundred and fifteen, pursuant to the provisions of an act of Congress, approved March fourth, nineteen hundred and fifteen, entitled "An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June thirtieth, nineteen hundred and sixteen," be, and the same is hereby, approved and confirmed; such delegates shall be known as the United States section of the International High Commission, and shall cooperate with the other sections of the commission in taking action upon the recommendations of the First Pan American Financial Conference; and the President is authorized to fill any vacancies that may occur in the United States section of said international commission.

For the purpose of meeting such actual and necessary expenses on the part of the United States section of the commission as may arise from its work and investigations, or as may be incidental to its attendance at the meeting of the said International High Commission, the sum of \$40,000 is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of the Treasury, to be immediately available, and to remain available until expended.

### APPENDIX B.

LIST OF UNITED STATES DELEGATES AND THEIR COMMITTEE ASSIGNMENTS.

Hon. W. G. McAdoo, Secretary of the Treasury, chairman.

John H. Fahey, Esq.	Hon. Andrew J. Peters.
Hon. Duncan U. Fletcher.	Samuel Untermyer, Esq.
Hon. Archibald Kains.	Hon. Paul M. Warburg.

#### COMMITTEE ASSIGNMENTS.

Committee on the establishment of a gold standard and on improved banking and credit facilities: Messrs. Kains and Warburg.

Committee on negotiable instruments and on conditional sales: Messrs. Untermyer and Warburg.

Committee on uniform customs regulations and classification of merchandise: Mr. Peters.

Committee on uniform regulations for commercial travelers and on arbitration of commercial disputes: Mr. Fahey.

Committee on patent, trade-mark, and copyright legislation and on postal facilities: Messrs. Fletcher and Untermyer.

Committee on uniform labor legislation and on the exploitation of natural resources: Messrs. McAdoo and Peters.

Committee on transportation facilities and on telegraph and wireless communication: Messrs. Fletcher and McAdoo.

## APPENDIX C.

### ADDRESS OF HIS EXCELLENCY VICTORINO DE LA PLAZA, PRESIDENT OF THE ARGENTINE REPUBLIC.

EXCELLENCIES AND MEMBERS OF THE INTERNATIONAL HIGH COMMISSION: It is a very great pleasure to meet you here to-day, and on behalf of the Argentine people to extend to you a most cordial greeting. We welcome you with sentiments of friendship and sympathy as representatives of the Republics of America, to which we are bound by ties of blood or by considerations of special regard.

The mission on which you have come is a most gratifying one, in that it affords us the opportunity to honor such distinguished guests. It is interesting, too, because of the important matters that will claim your earnest attention.

It is, gentlemen, indeed comforting to our nobler sentiments that in the midst of the conflict which is drenching Europe in blood and bringing sorrow in its train, it should be granted us to witness this splendid gathering of representatives of young and vigorous nations. You meet to deliberate in all calmness on subjects designed to facilitate, coordinate, and strengthen, as far as possible, the mutual relations of the republics in the economic field and in all those activities of such vital necessity to their full development.

You are undertaking a vast plan of progress, harmony, and good will among nations, the majority of which are descended from a common stock, and all of which are contributing their best efforts to the work in hand. The several Pan American congresses, the Pan American Union at Washington, the First Pan American Financial Conference, and this International High Commission, organized by the happy initiative of the Government of the United States through the inspiration of the eminent statesman, the Hon. W. G. McAdoo, Secretary of the Treasury, all bear testimony to this fact.

The increasing complexity of modern life tends to extend industrial and commercial activities along lines heretofore unknown when human endeavor had not reached the height of development it has now attained through the diffusion of knowledge and the advance of science. This fact holds out the hope—and it is no idle dream—that you will find solutions consonant with the great purposes that animate your every action.

It is not out of place to recall here that the first Pan American congresses awakened suspicion among the nations of Europe. They supposed that the purpose of these gatherings was exclusive and that they tended to limit the commercial relations of European powers. Other misgivings, as unfounded as this, also arose, only to be at once dispelled.

Just as America has its own history, so it has its own common ideals and aspirations, its ties of blood, of government, and of liberty. What more natural, then, that, while not resorting to any exclusive policies nor attempting to form an international law different from that of other nations, an effort should be made to harmonize all these conditions peculiar, in law and in fact, to the continent of America, as a means of securing the blessings of peace, friendship, and progress, which constitute the supreme longing of all cultured peoples.

When I contemplate a gathering such as this, with representatives from so many different countries, I seem to hear a mysterious voice confirming my presentiment that the great destinies of America are fortunately not enveloped in the mists of hidden danger, but enlightened by noble ideas of justice and good will.

Permit me, then, to felicitate you most warmly on the lofty and noble purposes of the mission you are about to undertake, inspired by sentiments of frank and loyal solidarity.

In reiterating my sincere welcome, gentlemen, I voice the hope that your labors will be fruitful in good results; and on behalf of the Argentine and



in my own name I beg that you will convey to the nations and Governments you so worthily represent a most cordial greeting.

#### APPENDIX D.

ADDRESS OF HIS EXCELLENCY FRANCISCO J. OLIVER, MINISTER OF FINANCE OF THE ARGENTINE REPUBLIC.

GENTLEMEN: At this solemn moment of formally opening our sessions I am not content to follow the parliamentary rules of the conference and use the title of delegates, but, voicing the sentiment animating us all, I beg you to permit me to address you as "Fellow citizens of America."

The sincere words of greeting of the President of the Republic make superfluous any further welcome to our country, for he has expressed the feeling of all Argentine citizens. It is, too, our earnest desire that the friendly relations now established will endure after the close of our sessions, and that your all too brief sojourn will not only fulfill the aims of this commission but will also leave grateful and lasting memories.

The solidarity of the Americas is daily assuming a more practical and definite shape. Following the footsteps of the first idealists, there came the Pan American congress which brought our nations in touch with one another in renewed efforts to direct their energies for their mutual advantage. But the soil was not yet ready to receive this new seed. Vexatious frontier litigation kept sister nations apart, methods of communication were ineffective and hazardous, and capital, that magic motor which turns the wheels of progress, was insufficient and timid.

The sky has now cleared, and territorial disputes have given way to equitable agreements. All the American Republics have accepted the principle of arbitration and have been able to bring to the task of their political and economic development the energies which they formerly employed in watching fancied enemies. The rapid accumulation of capital is now an established fact in our countries, and especially in that of our eldest sister, the United States of America. She was the first to complete her internal economic development and to be in a position to lend the creative power of her capital to others. She has now crowned her solid industrial organization with the Federal reserve act, substituting cooperation and centralized control of the credit resources of the Nation for a wasteful and uncoordinated banking system that almost resembled anarchy.

The liberal but vague aspirations of the first Pan American conferences prepared the way for the financial conference of Washington, which was the result of a new economic situation and of the need of directing the fraternal sentiments of the American nations along more mutually beneficial lines. But even these endeavors have embraced too extended a program, and a more rapid means of attaining effective economic union was sought. There was accordingly created, by virtue of a resolution of the First Pan American Financial Conference, the International High Commission.

While other forces labor to win for our beloved America the sacred palladium of the freedom of the seas and the maintenance of neutral rights, it is incumbent on us to clear the way for the economic union of America—that lofty conception hitherto unrealized because of the lack of physical means and the peculiar differences in the national and local legislation of our countries.

The creation of a merchant marine is a task that will require many years and the expenditure of enormous capital. But our great American Continent can no longer remain subject to the interruption of the means of transportation of its citizens and of the exchange of its products and ideas. To-day it is subject to the convenience and combinations of other peoples who have no share in its interests or purposes. If the present situation holds any lesson for us, it is the necessity that each American Republic shall develop as large a mercantile marine as its resources will allow, so as to cooperate fittingly in furnishing transportation for the products of our labor and for the goods which we need in our economic and industrial life. Each Republic will, of course, settle this problem as it deems best. Fortunately, however, the products of our wealthy America can be harvested at different seasons of the year; and this happy

circumstance will facilitate cooperation. Incidentally, we should look to the development of our fuel resources and to the unification of legislation on commercial paper and on customs regulations. We must not fail to strive for a uniform gold currency standard, nor ought we to overlook other every-day but important factors such as banking facilities and uniform regulations for commercial travelers. In the winged Mercury of John of Bologna, art had already immortalized the essential attributes of commercial activity, youthful energy and prompt decision. But the conflicting national laws have gradually set obstacles in the way of those whom we may call the boy scouts of commerce. Let us place our products in markets where they will be bought and where we may buy what we need; only thus shall we advance the cause of civilization. History tells us that the wings of Mercury have ever borne civilization aloft.

Other important matters will arise from our discussions, such as the efficient organization of the consular service of each country; nor should we forget the question of the great intercontinental railway which received so much attention in the first Pan American congresses. This work has been realized in part, and its importance has in no way been lessened by the opening of the Panama Canal, as the means for transportation by land and sea serve different interests and needs, and where these are common to both they complete and harmonize them.

Such are the principal problems that will be submitted to your learned consideration, and we sincerely trust that the deliberations of the International High Commission will result in unanimous action, so that your resolutions may be presented to your respective governments as the practical outcome desired by all of them.

The several sections should be of a permanent character so as to continue the study of these and similar problems, and ought to keep actively in touch with one another; thus they will speedily secure the practical realization of the recommendations of this conference. The press, the lecture platform, and literary propaganda will be powerful auxiliaries in this work.

Now, if this International High Commission can carry out even one fraction of its vast program, it will have done great work; in addition these meetings will contribute to American solidarity, because to know one another is to esteem one another, and this mutual esteem and trust form the necessary medium for combined action.

Happily, our policy of Pan American solidarity may easily be realized because we have no groups subject to foreign allegiance, no territorial ambitions, nor are our democracies prepared to embark on an armed struggle to add to the brilliance of any crown or dynasty. We have a common origin, our ideals and aspirations are the same, our political institutions are cast in the admirable mold of the bills of rights of Virginia; and there seems little need for me to add that our aspirations for the political, economic, and cultural advancement of our peoples are based on the same fundamental principles.

It is both natural and just that we should endeavor to take advantage of these felicitous circumstances to develop still further the welfare of our peoples. Nobody can feel alarmed at this policy of American concord and cooperation, since it will redound to the equal benefit of all. Again, the material and moral force presented by Pan American unity will not only be a factor in our economic progress, but it will also constitute one of the bulwarks of the rights of American Nations.

Before closing this address, I must relate an incident which shows the cordial feeling with which our people received the advent of the distinguished delegates from the American Republics.

Desirous of providing a place of meeting which would be worthy of a gathering of this importance, our chief magistrate requested the president of the senate to allow our sessions to be held in the chamber of that august body. As the senate is now in recess, its president communicated with all the senators who were absent from this city in their respective provinces, asking their acquiescence in the request. All, without exception, not only gave their courteous consent, but did so with expressions of enthusiasm for the work we are about to undertake. The present inaugural session calls for a hall of ample dimensions, and the honorable speaker of the house of representatives placed this hall at our disposal. But a difficulty arose. The law requires that on this very day there should begin the counting of the ballots cast yesterday by the citizens of the Republic for presidential and vice presidential electors. This hall is exclusively reserved for the use of the electoral board, composed



of eminent members of the judiciary. Informed of the circumstances, the judges hastened to smooth over all difficulties in order that this session should be held in this hall. They have accordingly interrupted their important and delicate labors for this afternoon. It thus happens that by a happy coincidence the three constitutional branches of the government have united to render to the International High Commission the homage properly its due, because of its important functions and of the standing of its members.

I now declare open the session of the International High Commission.

## APPENDIX E.

ADDRESS OF HON. W. G. MCADOO AT THE OPENING SESSION, APRIL 4, 1916.

MR. PRESIDENT, EXCELLENCIES, AND GENTLEMEN OF THE INTERNATIONAL HIGH COMMISSION: It is with intense satisfaction and pleasure that the members of the United States section of the International High Commission find themselves in this beautiful and hospitable city, the capital of the noble Republic of Argentina, to join their colleagues of the International High Commission in a discussion of the vital problems that have brought us together. We are fortunate both in the time and place of this meeting—in the time, because the necessity for the measures we are trying to secure was never more urgent; and in the place, because the progressive and stimulating ideals of the great people of Argentina have created a favorable atmosphere in which the objects of the commission's labors will be sympathetically nurtured and developed.

What is the reason for the International High Commission? It is the necessity for a continuing agency of a coordinating and directive character to accomplish, through the action of the several American States, the important reforms which for the past 25 years successive Pan American conferences have vainly recommended and to bring about unity of action concerning numerous questions which have been developed by the progress of the world and emphasized by the European war.

The first Pan American conference was held in Washington in 1889 and 1890, the second in Mexico City in 1902, the third in Rio de Janeiro in 1906, the fourth in Buenos Aires in 1910, and recently the Pan American financial conference in Washington in 1915. Upon reading the proceedings of these great conferences, all brilliantly intellectual and interesting, one is struck with the immense educational value of their work and the soundness of their conclusions and recommendations. Many of the most important subjects on the program of the present International High Commission were clarified and simplified by these conferences to such an extent that the labors of this commission will be greatly lessened. Our predecessors discussed arbitration of boundary disputes, the general doctrine of the gold standard, the necessity for uniformity of customs regulations and classifications of merchandise, uniformity of laws respecting bills of exchange, trade-marks, copyrights, and patents, banking facilities, improved ocean transportation facilities, the completion of an intercontinental railway connecting the Northern and Southern Continents. Some of the new questions we are to consider are those relating to bills of lading and warehouse receipts, arbitration of commercial disputes, stabilization of international exchange, exploitation of petroleum and mineral combustibles, improved cable facilities, reduced cable rates, and wireless telegraphy, the need for unifying protective legislation in behalf of labor and laboring classes. So that we are not entering altogether upon original work in discussions that are before us.

In spite of the highly educational work of these conferences, practical results have been small. After 25 years we have substantially the same problems; they are still unsolved; they remain a challenge to the constructive intelligence and enterprise of all the people of the American States.

What has been the chief reason for this failure? The answer seems clear. Not one of the conferences perfected an active organization under a central direction to continue the work in the intervals and fight unrelentingly for the removal of the difficulties which have stood in the way of that wholesome and extensive development of inter-American relations, commercial, social, and political, foreordained as the destiny of the American Republics.

Resolutions of bodies of able and brilliant men are inherently effective only when they arouse those tidal waves of human interest and enthusiasm which, by their very momentum, carry the issues to success. It is seldom that such

things occur. History records few instances of this sort, but it records many instances of achievement through persistent and intelligently organized effort.

The outbreak of the European war accentuated many of our problems and brought clearly home to the American Republics the danger of complete dependence upon the great European States for their economic development and commercial security. All of them, including the United States, faced at the beginning of the war possibilities of appalling disaster. That experience clearly shows the imperative necessity for closer relations between the American States themselves and a more enduring organization of their own life in order that they may work out their destinies, freed as far as possible from the dangers which constantly menace their economic development through European complications. It was essential in these circumstances that the American nations should take measures for their own protection; that they should reconstruct, as far as practicable, their commercial and financial relationships for the security of their own interests and the welfare of their people. It was not from any desire to take advantage of the misfortunes of the great nations of Europe, with which the ties of friendship and commercial intercourse have been so strongly developed. These ties must continue, not only because we desire it, but because we wish to serve Europe while we serve ourselves. To do this we must make ourselves so strong that when the smoke of battle has cleared and peace is restored to those stricken lands we may aid them as they have aided us in our time of need.

While these are our purposes, we should not be blind to the fact that economic changes of a revolutionary character must follow the colossal conflict now in progress and force readjustments of international relationships throughout the entire world. When this time comes the American nations must not be unprepared; they must begin now to shape their own future; they must take measures not only to secure their own interests, but to put themselves in position to relieve the heavily burdened nations of Europe of many demands they have heretofore made upon them. It stands to reason that the destruction of capital and property and life during this great war will leave the contending nations prostrated for many years. During the time of their recuperation they will be unable to play the important part in the economic development of the American States which they have played in the past. The noblest concepts of duty and friendship dictate that we should help them when the time comes to bind up their wounds and repair their losses. The attempt to organize the resources of the American States is conceived, therefore, in no selfish or unfriendly spirit. It is inspired by the highest motive, of good will; it proceeds from a noble purpose to marshal their resources and make them in the highest degree available for the best service of mankind throughout the world.

It was in view of these weighty considerations and the necessity for early and positive action that the Pan American financial conference was called to convene in Washington in May, 1915. It was the firm resolve of those who directed that conference that a permanent organization should be created and charged with the duty of carrying into effect its conclusions and recommendations. This International High Commission, appointed by each of the American States, is the machinery devised by that conference for this purpose. The financial conference reaffirmed the necessity for action upon the various subjects which this commission is here to discuss, but left it to this commission to suggest the necessary laws and urge their enactment by the interested States.

The work of the International High Commission will be the connecting link between the successive Pan American financial conferences which, for my part, I earnestly hope may become a part of the permanent policy of the American States. If such a financial conference shall be held every two years, with the International High Commission as the intermediate working body to carry into effect the conclusions of these conferences, we will no longer live in the realm of theories, but will make practical results of every conference certain. The work of these financial conferences and of their adjunct, the International High Commission, is not of a diplomatic character. It does not, therefore, involve any conflict with the diplomatic organization of the different States. Its problems are not political; they are distinctively financial and commercial, and these are not primarily the subjects of diplomacy. It follows as an inevitable corollary that there is no conflict between the Pan American Union and the Pan American financial conference, and the International High Commission. I am sure that I express the views of each and all of you when



I say that the Pan American Union is realizing the high purpose for which it was created in the most thorough and satisfactory manner.

The importance of its contribution to international relations and to the service of interests of the most diversified types can not be exaggerated. This useful and splendid union is but in the infancy of its career, and I am sure that its work, under the wise guidance of the diplomatic representatives of the Pan American States, will continue to serve in the highest degree the best interests of the American States in the field in which it labors.

The United States section of the International High Commission has been established by act of the Congress and the necessary funds have been appropriated to enable it to maintain its organization and do the work for which it was created. Presumably each country represented here has taken similar action with respect to its own commission.

How should the commission itself organize most effectively? If I may be permitted to suggest, I would say that each section should have a permanent chairman and secretary, with headquarters in some convenient city, preferably the capital of its own country. These various sections should be coordinated and directed through a central organization, consisting of a president, a vice president, and a secretary general of the International High Commission itself, whose headquarters should be in the capital of the country of which such president, vice president, and secretary general are citizens. This central organization should be charged with the general direction of the work and keep in constant touch with each section of the International High Commission. By this kind of cooperative effort we should endeavor to secure from the Governments concerned approval of the measures which may be agreed upon and recommended at the present session of the International High Commission.

In the light of past experience and present necessity surely such reforms as are possible ought to be accomplished now, if they can be accomplished at all. They are so manifestly in the interest and to the advantage of each one of the American States that a determined effort should be made to secure prompt and conclusive action. Why should we, from indifference or neglect, continue laws, regulations, or practices which operate to the detriment of our respective countries? Why should we maintain barriers in the way of proper development of our trade and commerce when, by a mere stroke of the pen, so to speak, we can destroy them? Why should we diminish, if we do not actually prevent, the prosperity of millions of our fellow human beings in the various nations of the Americas because we do not permit that fair play of economic forces which, if released, would promote the prosperity of all?

These objects can not be attained in short order. Their very magnitude and complexity involve patience, persistence, zeal, and determination. What we seek is not impossible, as some pessimists insist. We have the power to make the seemingly impossible possible, if we know what we want and are resolved to achieve it. Let us, therefore, gentlemen, devote ourselves with all of the energy, intelligence, and enthusiasm we can command to the benevolent tasks before us. Let us proceed with the unalterable determination to translate these conclusions into the law of our respective States. Let it not be said that we have failed, as our predecessors have failed, to secure the remedies after we have ascertained what the remedies ought to be. We have a great and inspiring opportunity to render a service of incalculable benefit to all of the nations of the Western Hemisphere—an opportunity that appeals to the imagination, thrills the blood; and ennobles the thought. Let us determine our program and go forward with the inflexible courage and high purpose of a San Martín, a Bolívar, an Artigas, an O'Higgins, a Washington, and success can not escape us.

Laws alone will not, of course, create commerce or bring prosperity, although laws alone frequently destroy commerce and prevent prosperity; but beneficent laws will encourage commerce and contribute to prosperity by creating the conditions under which the individual may work with security of life and property and engage in international trade without needless impediments. This being done, individual initiative and enterprise must always be relied upon as the chief factor to do the rest.

Trade between the peoples of the different nations of the earth rests upon the fundamentals of mutual confidence, good will, and respect. Nations, like individuals, find in the ties of friendship the best guaranty of peaceful and profitable intercourse. Happily the fundamental of friendship already exists

between the American states, and we owe it to ourselves to reinforce that friendship with laws so harmonious that the citizens of our respective countries may have the fairest and freest opportunity to cultivate the most intimate relations with each other.

When this is done North American capital in abundance will seek opportunity to assist in the development of your wonderful resources. I imagine that the assistance of North American capital in your development will not be regarded as harmful to your interests. On the contrary, will it not be a helpful and conserving influence, beneficial alike to Latin America and to European investors in Latin America, if your development shall not be arrested or retarded for want of adequate capital? It is because we wish to use the power and resources of our country to help our neighbors, and because by helping them to strengthen themselves we steadily approach the realization of that ideal of American unity which has been for generations the dream of statesmen of both continents, that we are striving to do what our President so nobly expressed in his speech to the Pan American financial conference in Washington, May, 1915, when he said, "We are not trying to make use of each other, but we are trying to be of use to one another." This is the spirit of our national policy; this is the very essence of international morality—the golden rule of international intercourse.

The problem of ocean transportation, to which the Argentine minister of finance has referred, is beyond doubt of paramount importance. For many years the American nations have blindly ignored their economic security, if not their physical safety, by depending almost entirely upon foreign ships for transportation of their deep-sea commerce. Now, when a great war involves the leading maritime nations upon whose flags they relied, they find themselves without the essential means of protecting their own interests. We must correct this situation. The American nations must quickly find the way of creating a merchant marine of ample proportions to secure forever their physical and economic safety. The completion of the missing links of the great intercontinental railway is also of supreme importance, and should be considered an indispensable feature of inter-American policy.

It is a significant and felicitous fact that the essential fundamental of friendship and mutual respect has always existed between the United States and the Latin-American Republics. With the exception of the War with Mexico in 1847, the great Republic of the north has been at peace with every Central and South American State from the beginning of their existence to the present time.

The United States has consistently and unceasingly manifested deep interest in the welfare of the Latin-American Republics. This found its first expression in the Monroe doctrine, enunciated by one of our great Presidents not only for the protection of the United States, but for the preservation of the struggling Republics of the Western Hemisphere in the days of their infancy.

More recently the Government of the United States has given fresh and convincing evidence of its friendly attitude toward and its high appreciation of the Latin-American States. In the unfortunate complications in Mexico we have accepted the friendly advice and assistance of the Republics of South America. It was the ambassadors of Argentina, Brazil, and Chile and the ministers of Bolivia, Uruguay, and Guatemala who, in response to the request of our Government, contributed so patriotically, unselfishly, and nobly to the effort to solve the Mexican problem with due regard to the rights of the nations and the interests of the people of suffering Mexico.

These notable events have given new point and importance to inter-American relations. They have served to make more convincing and clear the attitude of the United States toward all the nations of the Western Hemisphere. They have reaffirmed those noble sentiments of friendship expressed by our great President in his speech at Mobile in 1913, and have given new emphasis to his statement on that occasion that the United States "will never again seek one additional foot of territory by conquest." To this added force has been given by the recent declarations of our illustrious President and our distinguished Secretary of State in favor of mutual guaranties of the territorial integrity and political independence under republican forms of government of every nation of the American Continent.

With such guaranties we do not have to live in fear of each other; we do not have to suspect each other; we do not need to arm against each other,



because so long as there is assurance against loss of territory or independence by any nation on this continent we can work out our destinies in peace, undisturbed by internal fear or external aggression. Contrast this with the state of affairs in unhappy Europe, where race oppressions, race hatreds, national wrongs, extending through the centuries, have created the disastrous conditions of mutual distrust and suspicion which have turned the leading nations into armed camps and precipitated the most colossal conflict in the history of time.

It would seem as if in the very wisdom of God the American Continent was created as a refuge where men of all nations might, in the spirit of true fraternity, build new States, dedicated to liberty, justice, and humanity, as an example to the world of the regenerative forces of mankind; where, freed from the passions and hatreds of centuries, they may demonstrate the ability of man to live in peace and amity, exemplifying the loftiest ideals of liberty and humanity, settling no disputes by the sword but by the light of God's justice alone, and developing a civilization which will fulfill the mission for which Christ died more than 1,900 years ago. God grant that our beloved America may realize this dream and stand, for time and eternity, as the exemplar and champion of international rectitude and honor.









